Swellendam
MUNICIPALITY

[These financial statements have not been audited]

FINANCIAL STATEMENTS

30 JUNE 2009

SWELLENDAM MUNICIPALITY

Index

Contents	*Page*
General Information	1
Approval of the Financial Statements	2
Report of the Auditor General	
Statement of Financial Position	3
Statement of Financial Performance	4
Statement of Changes In Net Assets	5
Cash Flow Statement	6
Accounting Policies	7 - 22
Notes to the Financial Statements	23 - 42

APPENDICES

A	Schedule of External Loans	43
B	Analysis of Property, Plant and Equipment	44 - 45
C	Segmental Analysis of Property, Plant and Equipment	46
D	Segmental Statement of Financial Performance - Municipal Votes	47
E (1)	Actual Versus Budget (Revenue and Expenditure)	48
E (2)	Actual Versus Budget (Acquisition of Property, Plant and Equipment)	49
F	Disclosure of Grants and Subsidies In Terms of Section 123 of MFMA, 56 of 2003	50 - 51
G	GRAP Implementation Plan	52 - 54

SWELLENDAM MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

GENERAL INFORMATION

NATURE OF BUSINESS

Swellendam Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Swellendam Municipality includes the following geographical areas:
Swellendam
Barrydale
Suurbrak
Buffeljagrsivier
Malagas
Infanta

MAYOR

Mr J. Jansen

MAYORAL COMMITTEE

Mr J. Jansen - Executive Mayor
Mr M.J. Koch - Deputy Mayor
Mr J. du Toit Loubser - Speaker
Mr P. Kees - Member

(ACTING) MUNICIPAL MANAGER

Mr N. Nel

CHIEF FINANCIAL OFFICER

Mr N.B. Delo

REGISTERED OFFICE

49 Voortrek Street
SWELLENDAM
6740

AUDITORS

Office of the Auditor General (WC),
Private Bag X1,
Chempet, 7442

PRINCIPLE BANKERS

FNB Swellendam, P.O. Box 10, Swellendam

ATTORNEYS

Powell Kelly Veldman, P.O. Box 18, Swellendam

RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)
Division of Revenue Act
The Income Tax Act
Value Added Tax Act
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Planning and Performance Management Regulations
Water Services Act (Act no 108 of 1997)
Housing Act (Act no 107 of 1997)
Municipal Property Rates Act (Act no 6 of 2004)
Electricity Act (Act no 41 of 1987)
Skills Development Levies Act (Act no 9 of 1999)
Employment Equity Act (Act no 55 of 1998)
Unemployment Insurance Act (Act no 30 of 1966)
Basic Conditions of Employment Act (Act no 75 of 1997)
Supply Chain Management Regulations, 2005
Collective Agreements
Infrastructure Grants
SALBC Leave Regulations

SWELLENDAM MUNICIPALITY

MEMBERS OF THE SWELLENDAM MUNICIPALITY

WARD	COUNCILLOR
1	Mr J. du Toit Loubser
2	Mr P. Kees
3	Mr A.R. Thompson
4	Mr J.H. Zass
5	Mr J. Jansen
Proportional	Ms D.P. Mtila
Proportional	Mr J.A. Matthysen
Proportional	Mr M.J. Koch
Proportional	Mr D. Govender
Proportional	Mr S.S. Njwayise

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 54 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

Mr N. Nel
(Acting) Municipal Manager

11 September 2009
Date

SWELLENDAM MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2009

	Notes	2009 R	2008 R
NET ASSETS AND LIABILITIES			
Net Assets		**87 132 606**	**81 194 818**
Housing Development Fund	**2**	3 865 581	3 675 728
Capital Replacement Reserve	**3**	7 306 578	6 974 425
Accumulated Surplus/(Deficit)		75 960 448	70 544 664
Non-Current Liabilities		**17 397 303**	**16 674 232**
Long-term Liabilities	**4**	17 397 303	16 674 232
Current Liabilities		**20 892 333**	**9 326 446**
Consumer Deposits	**5**	915 264	854 302
Trade and other payables	**6**	11 130 726	5 298 172
Unspent Conditional Government Grants and Receipts	**7**	7 585 451	2 128 314
Taxes	**8**	-	399 795
Cash and Cash Equivalents	**16**	343 631	-
Current Portion of Long-term Liabilities	**4**	917 261	645 863
Total Net Assets and Liabilities		**125 422 242**	**107 195 496**
ASSETS			
Non-Current Assets		**92 495 472**	**73 876 345**
Property, Plant and Equipment	**9**	89 175 569	70 457 684
Intangible Assets	**10**	40 483	80 966
Investment Property	**11**	2 508 635	2 508 635
Long-Term Receivables	**12**	770 786	829 060
Current Assets		**32 926 770**	**33 319 151**
Inventory	**13**	236 322	408 629
Trade Receivables from exchange transactions	**14**	11 456 151	8 690 258
Other Receivables from non-exchange transactions	**15**	524 477	5 242 202
Taxes	**8**	706 682	-
Unpaid Conditional Government Grants and Receipts	**7**	-	89 875
Current Portion of Long-term Receivables	**12**	1 239	3 565
Cash and Cash Equivalents	**16**	20 001 900	18 884 621
Total Assets		**125 422 242**	**107 195 496**

SWELLENDAM MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2009 R	2008 R
REVENUE			
Revenue from Non-exchange Transactions		**45 999 637**	**29 871 966**
Taxation Revenue		**15 815 252**	**14 469 984**
Property taxes	**17**	15 815 252	14 469 984
Transfer Revenue		**26 644 807**	**12 473 986**
Government Grants and Subsidies	**18**	26 644 807	12 473 986
Other Revenue		**3 539 578**	**2 927 996**
Fines		3 539 578	2 927 996
Revenue from Exchange Transactions		**52 625 354**	**43 514 525**
Service Charges	**19**	44 612 000	36 543 969
Rental of Facilities and Equipment		1 053 824	874 152
Interest Earned - external investments		1 846 658	2 224 660
Interest Earned - outstanding debtors		1 777 430	1 286 263
Licences and Permits		1 013 752	1 020 873
Income for Agency Services		713 549	619 209
Other Income	**20**	1 608 140	945 399
Total Revenue		**98 624 991**	**73 386 490**
EXPENDITURE			
Employee related costs	**21**	30 417 150	24 914 488
Remuneration of Councillors	**22**	2 331 712	2 119 543
Debt Impairment	**23**	11 610 520	-
Depreciation and Amortisation		6 977 854	7 096 910
Repairs and Maintenance		11 082 648	10 262 898
Finance Charges	**24**	1 793 737	1 682 406
Bulk Purchases	**25**	13 669 656	10 121 125
Other Operating Grant Expenditure		2 844 246	2 246 318
General Expenses	**26**	12 014 502	9 339 874
Total Expenditure		**92 742 025**	**67 783 563**
Operating Surplus for the Year		**5 882 966**	**5 602 927**
Gain on disposal of Property, Plant and Equipment		54 823	6 452 787
NET SURPLUS/(DEFICIT) FOR THE YEAR		**5 937 789**	**12 055 714**

Refer to Appendix E(1) for explanation of variances

SWELLENDAM MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2009

	Housing Development Fund	Capital Replacement Reserve	Capitalisation Reserve	Government Grant Reserve	Accumulated Surplus/ (Deficit)	Total
	R	R	R	R	R	R
Balance at 1 JULY 2007	**3 449 793**	**1 000 000**	**5 475 606**	**22 916 131**	35 080 931	67 922 461
Change in accounting policy - Note 27.2	-	-	-	-	(861 639)	(861 639)
Correction of error - Note 28.2	-	-	(559 937)	(1 278 022)	3 826 367	1 988 408
Net Surplus/(Deficit) for the year	-	-	-	-	12 055 714	12 055 714
Transfer to/from CRR	-	11 500 000	-	-	(11 500 000)	-
Property, plant and equipment purchased	-	(5 525 575)	-	-	5 525 575	-
Capital grants used to purchase PPE	-	-	-	2 372 793	(2 372 793)	-
Transfer to Housing Development Fund	225 935	-	-	-	(225 935)	-
Offsetting of depreciation	-	-	(595 245)	(1 331 350)	1 926 595	-
Balance at 30 JUNE 2008	**3 675 728**	**6 974 425**	**4 320 424**	**22 679 552**	**43 454 813**	**81 104 943**
Change in accounting policy - Note 27.2	-	-	(4 320 424)	(22 679 552)	26 999 976	-
Correction of error - Note 28.2	-	-	-	-	89 875	89 875
Restated balance	**3 675 728**	**6 974 425**	**-**	**-**	**70 544 664**	**81 194 818**
Net Surplus/(Deficit) for the year	-	-	-	-	5 937 789	5 937 789
Transfer to/from CRR	-	3 500 000	-	-	(3 500 000)	-
Property, plant and equipment purchased	-	(3 167 847)	-	-	3 167 847	-
Transfer to Housing Development Fund	189 853	-	-	-	(189 853)	-
Balance at 30 JUNE 2009	**3 865 581**	**7 306 578**	**-**	**-**	**75 960 448**	**87 132 607**

SWELLENDAM MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2009 R	2008 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		86 330 174	73 468 955
Cash paid to suppliers and employees		(61 125 046)	(64 976 722)
Cash generated/(absorbed) by operations	**29**	25 205 128	8 492 233
Interest Received		1 846 658	2 224 660
Interest Paid		(1 793 737)	(1 682 406)
Net Cash from Operating Activities		**25 258 050**	**9 034 486**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(25 655 255)	(10 726 916)
Proceeds on Disposal of Fixed Assets		54 823	6 452 787
(Increase)/Decrease in Intangible Assets		-	(121 449)
(Increase)/Decrease in Long-term Receivables		60 601	61 208
Net Cash from Investing Activities		**(25 539 832)**	**(4 334 370)**
CASH FLOW FROM FINANCING ACTIVITIES			
New loans raised/(repaid)		994 468	2 337 155
Increase/(Decrease) in Consumer Deposits		60 962	144 729
Net Cash from Financing Activities		**1 055 431**	**2 481 884**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**773 648**	**7 182 000**
Cash and Cash Equivalents at the beginning of the year		18 884 621	11 702 621
Cash and Cash Equivalents at the end of the year	**30**	19 658 269	18 884 621
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**773 648**	**7 182 000**

INSERT ACCOUNTING POLICY

		2009 R	2008 R
2	**HOUSING DEVELOPMENT FUND**		
	Housing Development Fund	3 865 581	3 675 728
	Loans extinguished by Government on 1 April 1998	3 865 581	3 675 728
	Total Housing Development Fund Assets and Liabilities	**3 865 581**	**3 675 728**

The above balance is represented by R3 413 780 cash and is invested as part of the investments of the municipality (See Notes 16)

Housing Development Fund Debtors	451 801	340 179
Housing Development Fund Cash	3 413 780	3 335 549
	3 865 581	3 675 728

		2009 R	2008 R
3	**NET ASSET RESERVES**		
	RESERVES	7 306 578	6 974 425
	Capital Replacement Reserve	7 306 578	6 974 425
	Capitalisation reserve	-	4 320 424
	Capitalisation Reserves restated against Accumulated Surplus as no more in use. (Not required by GRAP) - Note 28.2	-	(4 320 424)
	Government grant reserve	-	22 679 552
	Government Grant Reserves restated against Accumulated Surplus as no more in use. (Not required by GRAP) - Note 28.2	-	(22 679 552)
	Total Net Asset Reserve and Liabilities	**7 306 578**	**6 974 425**

		2009 R	2008 R
4	**LONG TERM LIABILITIES**		
	Annuity Loans - At amortised cost	18 314 564	17 320 095
		18 314 564	**17 320 095**
	Less: Current Portion transferred to Current Liabilities	**917 261**	**645 863**
	Annuity Loans - At amortised cost	917 261	645 863
	Total Long-term Liabilities - At amortised cost using the effective interest rate metho	**17 397 303**	**16 674 232**

One DBSA annuity loan at amortised cost is calculated at 9.10%-15.90% interest rate, with a last maturity date of 2029. Refer to Appendix A.

Exemptions taken according to the exemptions gazetted in terms of Government Notice No. 30013 of 29 June 2007 and specifically paragraph 3(2) b of the above-mentioned notice. Refer to Note 42.1 & 42.2 & 42.3

		2009 R	2008 R
5	**CONSUMER DEPOSITS**		
	Water & Electricity	915 264	854 302
	Total Consumer Deposits	**915 264**	**854 302**

The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.

		2009 R	2008 R
6	**TRADE AND OTHER PAYABLES**		
	Trade Payables	9 267 980	3 926 109
	Other: Deposits	68 445	65 922
	Staff Leave Liability	1 794 301	1 306 141
	Total Trade Payables	**11 130 726**	**5 298 172**

Payables being paid within 30 days are being recognised net of discounts

		2009 R	2008 R
	Staff Leave Reconciliation		
	Balance at beginning of year	1 306 141	331 806
	Interest received and contributed during the year	40 949	12 591
	Contribution during the year	518 976	998 414
	Expenditure incurred	(71 765)	(36 670)
	Balance at end of year	**1 794 301**	**1 306 141**

		2009 R	2008 R
7	**UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS**		
7.1	***Conditional Grants from other spheres of Government***		
	Unspent Grants	7 585 451	2 128 314
	National and Provincial Government Grants	7 585 451	2 128 314
	Less: Unpaid Grants	-	(89 875)
	Correction on capital spending on Masabanbane for 2007/08 not recorded as Unpaid Conditional Government Grants and Receipts - Note 28.2	-	(89 875)
	Total Conditional Grants and Receipts	**7 585 451**	**2 038 439**

See appendix "F" for reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld

		2009 R	2008 R
8	**TAXES**		
	VAT Payable	(3 754 016)	(3 961 635)
	VAT Receivable	4 460 698	3 561 840
		706 682	(399 795)

VAT is payable on the receipts basis. Only once payment is received from debtors is VAT paid over to SARS.

		2009 R	2008 R
9	**PROPERTY, PLANT AND EQUIPMENT**		

See attached sheet

		2009 R	2008 R
10	**INTANGIBLE ASSETS**		
	Net Carrying amount at 1 July	**80 966**	**-**
	Cost	201 659	80 210
	Accumulated Amortisation	(120 693)	(80 210)
	Acquisitions	-	121 449
	Amortisation	(40 483)	(87 084)
	Correction on incorrect calculation of amortisation on intangable assets for 2007/08 - Note 28.8 & Note 28.9	-	46 601
	Net Carrying amount at 30 June	**40 483**	**80 966**
	Cost	201 659	201 659
	Accumulated Amortisation	(161 176)	(120 693)

Exemptions taken according to the exemptions gazetted in terms of Government Notice No. 30013 of 29 June 2007 and specifically paragraph 3(2) b of the above-mentioned notice. Refer to Note 42.4

		2009 R	2008 R
11	**INVESTMENT PROPERTY**		
	Net Carrying amount at 1 July	**2 508 635**	**2 508 635**
	Cost	2 508 635	2 508 635
	Accumulated Depreciation	-	-
	Acquisitions	-	-
	Depreciation for the year	-	-
	Net Carrying amount at 30 June	**2 508 635**	**2 508 635**
	Cost	2 508 635	2 508 635
	Accumulated Depreciation	-	-

Exemptions taken according to the exemptions gazetted in terms of Government Notice No. 30013 of 29 June 2007 and specifically paragraph 3(2) b of the above-mentioned notice. Refer to Note 42.5 & 42.6

		2009 R	2008 R
12	**LONG TERM RECEIVABLES**		
	Plots sold	55 038	55 038
	Capital Individual Loans	5 431	8 978
	Housing Loan Scheme	711 555	768 609
		772 025	832 625
	Less: Current portion transferred to current receivables		
	Capital Individual Loans	(1 239)	(3 565)
	Total Long Term Receivables	**770 786**	**829 060**

PLOTS SOLD
Plots loans are not granted to officials of the municipality. The outstanding amount relates to prior years plot loans to the public of Suurbraak and is still collectable. Public plot loans attract interest at average 7% per annum and which are repayable over a maximum period of 20 years. These loans are redeemed June 2013. The public plot loans are secured over the asset.

CAPITAL INDIVIDUAL LOANS
Sport organisation individual loans are not granted to officials of the municipality. The outstanding amount relates to prior year loans to Sport organisations and are still collectable. Sport organisation individual loans attract interest at average 6,5% per annum and which are repayable over a maximum period of 10 years. These loans are redeemed June 2013. The capital individual loans are secured over the improvement of municipal sport facilities.

HOUSING LOAN SCHEME
The outstanding amount relates to prior years and is still collectable. Council has resolved to write off these loans fully. Housing loans attract interest at average 7% per annum and which are repayable over a maximum period of 20 years. These loans are redeemed June 2013. The housing loans are secured over the asset.

Exemptions taken according to the exemptions gazetted in terms of Government Notice No. 30013 of 29 June 2007 and specifically paragraph 3(2) b of the above-mentioned notice. Refer to Note 42.1 & 42.2

		2009 R	2008 R
13	**INVENTORY**		
	Consumable Stores - Stationery and materials - At cost	236 322	408 629
	Total Inventory	**236 322**	**408 629**

Exemptions taken according to the exemptions gazetted in terms of Government Notice No. 30013 of 29 June 2007 and specifically paragraph 3(2) b of the above-mentioned notice. Refer to Note 42.7

		2009 R	2008 R
14	**TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS**		
	Water	6 334 883	4 872 333
	Electricity	3 174 373	1 067 224
	Sundry Receivables	10 697 302	5 343 359
	Rentals	235 805	202 598
	Refuse	4 791 435	3 976 020
	Sewerage	6 292 369	5 446 563
	Deposits	-	2 607 161
	Total: Trade receivables from exchange transactions (before provision	**31 526 167**	**23 515 258**
	Provision for Impairments	(20 070 017)	(14 825 000)
	Total: Trade receivables from exchange transactions (after provision	**11 456 151**	**8 690 258**

No comparative information per service available in the 2008 financial year

	2009 R	2008 R
(Electricity): Ageing		
Current (0 - 30 days)	295 018	-
31 - 60 Days	230 486	-
61 - 90 Days	184 250	-
+ 90 Days	2 464 619	-
Total	**3 174 373**	**-**

	2009 R	2008 R
(Water): Ageing		
Current (0 - 30 days)	232 456	-
31 - 60 Days	260 109	-
61 - 90 Days	251 851	-
+ 90 Days	5 590 468	-
Total	**6 334 883**	**-**

	2009 R	2008 R
(Sundry Receivables): Ageing		
Current (0 - 30 days)	11 716 953	-
31 - 60 Days	18 316	-
61 - 90 Days	16 237	-
+ 90 Days	1 841 339	-
Total	**13 592 845**	**-**

	2009 R	2008 R
(Refuse): Ageing		
Current (0 - 30 days)	179 049	-
31 - 60 Days	165 385	-
61 - 90 Days	157 738	-
+ 90 Days	4 289 263	-
Total	**4 791 435**	**-**

	2009 R	2008 R
(Sewerage): Ageing		
Current (0 - 30 days)	212 709	-
31 - 60 Days	193 835	-
61 - 90 Days	211 862	-
+ 90 Days	5 673 963	-
Total	**6 292 369**	**-**

	2009 R	2008 R
(Rentals): Ageing		
Current (0 - 30 days)	6 707	-
31 - 60 Days	8 475	-
61 - 90 Days	10 259	-
+ 90 Days	210 364	-
Total	**235 805**	**-**

	2009 R	2008 R
(Total): Ageing		
Current (0 - 30 days)	12 642 891	-
31 - 60 Days	876 606	-
61 - 90 Days	832 197	-
+ 90 Days	20 070 017	-
Total	**34 421 711**	**-**

	2009 R	2008 R
Reconciliation of Provision for Impairmen		
Balance at beginning of year	14 825 000	14 825 000
Contribution to provision	5 245 016	-
Transfer from Other Receivable Impairment provision	-	-
Impairments (written off)	-	-
Balance at end of year	**20 070 016**	**14 825 000**

	2009 R	2008 R
The total amount of this provision for impairment on trade receivables is R20 070 017 and consist of:		
Other Receivables	2 051 703	-
Service Receivables	18 018 314	14 825 000
Total Provision for Impairments on Trade Receivables from Exchange transactio	**20 070 017**	**14 825 000**

		2009 R	2008 R
15	**OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS**		
	Taxes - Rates	8 967 342	7 319 563
	Other Receivables	-	-
		8 967 342	7 319 563
	Less: Provision for Impairment	(8 442 865)	(2 077 361)
	Total Other Receivables from non-exchange transactions	**524 477**	**5 242 202**

The fair value of other receivables approximate their carrying value.

No comparative information per service available in the 2008 financial year

	2009 R	2008 R
(Rates): Ageing		
Current (0 - 30 days)	378 608	-
31 - 60 Days	69 709	-
61 - 90 Days	76 159	-
+ 90 Days	8 442 865	-
Total	**8 967 342**	**-**

	2009 R	2008 R
Reconciliation of Provision for Impairmen		
Balance at beginning of year	2 077 361	2 077 361
Contribution to provision	6 365 504	-
Transfer to Trade Receivable Impairment provision	-	-
Impairment (written off)	-	-
Balance at end of year	**8 442 865**	**2 077 361**

	2009 R	2008 R
The total amount of this provision for Impairment on Other Receivables is R8 442 865 and consist of:		
Taxes	8 442 865	2 077 361
Other Receivables		
Total Provision for Impairment on Other Receivables from non-exchange transactions	**8 442 865**	**2 077 361**

		2009 R	2008 R
16	**CASH AND CASH EQUIVALENTS**		
	Assets		
	Call Investments Deposits	20 000 000	8 000 000
	Primary Bank Account	-	10 882 821
	Cash Floats	1 900	1 800
	Total Cash and Cash Equivalents - Assets	**20 001 900**	**18 884 621**
	Call Investment Deposits		
	ABSA Bank	3 000 000	2 000 000
	BOE Bank	3 000 000	2 000 000
	Standard Bank	3 000 000	2 000 000
	First Nasional Bank	3 000 000	2 000 000
	Quadrix Asset Management	8 000 000	-
		20 000 000	8 000 000

	2009 R	2008 R
Liabilities		
Primary Bank Account	343 631	-
Total Cash and Cash Equivalents - Liabilities	**343 631**	**-**

Call Investments Deposits to an amount of R7 585 451.34 are held to fund the Unspent Conditional Grants (2008: R2 128 313.73).

The municipality has the following bank accounts:

Current Accounts

First National Bank - Swellendam - Account Number 53840005730 (Primary Account)
ABSA - Barrydale - Account Number 2390560039

	2009 R	2008 R
Current Accounts		
Cash book balance at beginning of year	10 882 821	10 299 136
Cash book balance at end of year	(343 631)	10 882 821
Bank statement balance at beginning of year	12 166 565	12 265 590
Bank statement balance at end of year	12 976 520	12 166 565

		2009 R	2008 R
17	**PROPERTY RATES**		
	Actual		
	Rateable Land and Buildings	16 042 331	14 620 147
	Less: Rebates	(227 079)	(150 163)
	Total Assessment Rates	**15 815 252**	**14 469 984**

	2009 R	2008 R
Valuations - 1 JULY 2008		
Rateable Land and Buildings	1 207 705 284	1 209 712 550
Rural Areas	355 160 370	355 111 870
Residential Areas	731 596 888	700 306 630
Commercial Areas	77 005 650	89 905 011
Government and municipal	41 401 570	61 839 233
Building Claws.	2 540 806	2 549 806
Total Assessment Rates	**1 207 705 284**	**1 209 712 550**

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2004.The basic rate is Swellendam, Barrydal, Suurbrak 1.77c, Malagas, Infanta Park, Infanta, 0.89c, Agricultural Properties 0.44c, Buffeljagsrivier, 1.33c per Rand on land and buildings. There are 7253 residential properties.

Rates are levied annualy and monthly and monthly installments are payable by the 15th of the following month. Interest is levied at the prime rate plus 1% on outstanding monthly instalments.

		2009 R	2008 R
18	**GOVERNMENT GRANTS AND SUBSIDIES**		
	Transformation Costs	-	4 378
	Swellendam Festival	-	7 976
	Vegetable Project	89 481	1 066
	Upgrade: Library Suurbraak	16 740	1 000
	Toilet Facilities	-	13 408
	Project Preparation	-	54 300
	Vegetable Project - Barrydale	-	8 024
	Emergency Housing - Malgas	314 355	-
	Flood damage	5 275 948	-
	MIG - Municipal Infrustructure Grant	8 041 073	-
	Spatial Development Contributions	9 387	126 829
	Council Remuneration Grant	493 000	434 000
	Financial Management Grant	1 426 252	506 712
	Multi-purpose Centrum - Salaries	89 290	79 123
	Multi-purpose Centrum	98 515	-
	Electricity Master plan	-	9 200
	Library Services	136 862	122 405
	Community Development Workers	63 721	26 279
	MSIG - Municipal Systems Improvement Grant	778 775	690 224
	Emergancy Housing	-	595 394
	Capital expenditure on Government Grants	-	2 372 793
	Masababane Projects	425 439	89 875
	Equitable Share	9 385 968	7 331 000
	Total Government Grants and Subsidies	**26 644 807**	**12 473 986**

The municipality does not expect any significant changes to the level of grants

18.1 Equitable share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive 6kl free water and 50kwh free electricity per month, which is funded from this grant.

(See Appendix "F" for a reconciliation of all grants).

		2009 R	2008 R
19	**SERVICE CHARGES**		
	Electricity	**25 115 849**	**19 217 251**
	Service Charges	25 115 849	19 217 251
	Water	**8 388 947**	**7 119 505**
	Service Charges	8 388 947	7 119 505
	Refuse removal	**4 709 293**	**4 315 599**
	Service Charges	4 709 293	4 315 599
	Sewerage	**8 328 627**	**7 378 122**
	Service Charges	8 328 627	7 378 122
	Other	**708 983**	**667 393**
	Service Charges	708 983	667 393
	Less: Rebates	(2 639 698)	(2 153 900)
	Total Service Charges	**44 612 000**	**36 543 969**

		2009 R	2008 R
20	**OTHER INCOME**		
	Other income represents sundry income such as certificates, cemetery charges and photocopies	1 608 140	945 399
	Total Other Income	**1 608 140**	**945 399**

		2009 R	2008 R
21	**EMPLOYEE RELATED COSTS**		
	Employee related costs - Salaries and Wages	20 262 967	16 145 668
	Employee related costs - Contributions for UIF, pensions and medical aids	4 748 133	3 997 156
	Travel, motor car, accommodation, subsistence and other allowances	1 836 474	1 343 501
	Housing benefits and allowances	239 648	180 204
	Overtime Payments	1 707 674	1 170 653
	Bonus	1 103 278	1 078 892
	Staff Leave	518 976	998 414
		30 417 150	24 914 488
	Less: Employee Costs allocated elsewhere	-	-
	Total Employee Related Costs	**30 417 150**	**24 914 488**

KEY MANAGEMENT PERSONNEL

5 Key management personnel are all appointed on 5-year fixed contracts. There are no post-employment or termination benefits payable to them at the end of the contract periods.

	2009 R	2008 R
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
Remuneration of the Municipal Manager		
Salary and Bonus	625 933	347 299
Travel Allowance	139 714	144 072
Group Insurance	15 422	9 583
Industrial Council	41	38
Pension	102 907	69 829
UIF	1 497	1 497
Medical	28 351	23 098
Total	**913 865**	**595 416**

	2009 R	2008 R
Remuneration of the Chief Finance Officer		
Salary and Bonus	561 133	348 309
Travel Allowance	165 019	165 019
Group Insurance	13 852	9 321
Industrial Council	41	38
UIF	1 497	1 497
Total	**741 542**	**524 184**

	2009 R	2008 R
Remuneration of Director : Community Services		
Salary and Bonus	545 432	348 309
Travel Allowance	132 023	152 221
Industrial Council	41	38
Pension	-	-
UIF	1 497	1 497
Medical	20 198	20 887
Total	**699 191**	**522 952**

	2009 R	2008 R
Remuneration of Director : Corporate Services		
Salary and Bonus	533 300	326 209
Travel Allowance	121 756	117 675
Industrial Council	-	-
Pension	59 197	50 982
UIF	1 497	1 497
Medical	32 738	25 373
Total	**748 488**	**521 736**

	2009 R	2008 R
Remuneration of Director: Engineering Services		
Salary and Bonus	527 138	274 462
Travel Allowance	176 434	152 216
Industrial Council	41	38
Pension	-	-
UIF	1 497	1 497
Medical	25 513	20 887
Total	**730 623**	**449 100**

		2009 R	2008 R
22	**REMUNERATION OF COUNCILLORS**		
	Executive Mayor allowance	485 683	437 552
	Deputy Executive Mayor allowance	213 700	192 522
	Speaker allowance	388 446	350 041
	Member of Mayoral Committees' allowance	364 262	328 164
	Part Time Councillors' allowance	879 621	811 264
	Total Councillors' Remuneration	**2 331 712**	**2 119 543**

In-kind Benefits

The Mayor is fulltime. He is provided with an office and his own PA at the cost of the Council

		2009 R	2008 R
23	**DEBT IMPAIRMENT**		
	Trade Receivables from exchange transactions - Note 14	5 245 016	-
	Long-term Receivables - Note 12	-	-
	Other Receivables from non-exchange transactions - Note 15	6 365 504	-
	Total Contribution to Impairment Provision	**11 610 520**	**-**

		2009 R	2008 R
24	**FINANCE CHARGES**		
	Long-term Liabilities	1 793 737	1 682 406
	Total finance charges	**1 793 737**	**1 682 406**

		2009 R	2008 R
25	**BULK PURCHASES**		
	Water	578 848	557 231
	Electricity	13 090 808	9 563 894
	Total Bulk Purchases	**13 669 656**	**10 121 125**

		2009 R	2008 R
26	**GENERAL EXPENSES**		
	General Expenses	**12 014 502**	**9 339 874**

General expenses contains administrative and technical expenses otherwise not provided for in the line-items of the Statement of Financial performance. This include items such as telecommunications, travelling, legal fees, auditing fees and consulting fees.

27 CHANGE IN ACCOUNTING POLICY IN TERMS OF GRAP 3 - IMPLEMENTATION OF GRAP

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:

		2008 R	2007 R
27.1	**Property, Plant and Equipment - GRAP 17**		
	Balance previously reported	**-**	90 034 824
	Implementation of GRAP		
	Small Asset listing recorded in PPE & funded from Accumulated Surplus - Note 27.6 and 27.2	-	221 044
	Total	**-**	**90 255 868**

		2008 R	2007 R
27.2	**Accumulated Surplus/(Deficit)**		
	Implementation of GRAP		
	Creating a Trade Payable Account from Accumulated Surplus Account - Note 27.5	-	1 051 753
	Small Asset listing recorded in PPE & funded from Accumulated Surplus - Note 27.1 and 27.6	-	(190 114)
	Reserves restated against Accumulated Surplus as no more in use. (Not required by GRAP) - Note 27.3 & 27.4	26 999 976	-
	Total	**26 999 976**	**861 639**

		2008 R	2007 R
27.3	**Capitalisation Reserve**		
	Balance previously reported	**4 320 424**	-
	Implementation of GRAP		
	Reserves restated against Accumulated Surplus as no more in use. (Not required by GRAP) - Note 27.2	(4 320 424)	-
	Total	**-**	**-**

		2008 R	2007 R
27.4	**Government Grant Reserve**		
	Balance previously reported	**22 679 552**	-
	Implementation of GRAP		
	Reserves restated against Accumulated Surplus as no more in use. (Not required by GRAP) - Note 27.2	(22 679 552)	-
	Total	**-**	**-**

		2008 R	2007 R
27.5	**Trade and Other Payables**		
	Balance previously reported	**-**	(4 309 897)
	Implementation of GRAP		
	Creating a Trade Payable Account from Accumulated Surplus Account 27.2	-	(1 051 753)
	Total	**-**	**(5 361 650)**

		2008 R	2007 R
27.6	**Accumulated Depreciation**		
	Balance previously reported	**-**	(23 496 760)
	Implementation of GRAP		
	Small Asset listing recorded in PPE & funded from Accumulated Surplus - Note 27.1	-	(30 931)
	Total	**-**	**(23 527 691)**

		2008 R	2007 R
28	**CORRECTION OF ERROR IN TERMS OF GRAP 3**		
28.1	***Property, plant & equipment - GAMAP 17***		
	Balance previously reported	70 367 809	-
	Refer to PPE Note 9 & 28.2	-	122 155
	Land & Buildings transferred out of PPE as it is not tracable to Valuation Roll - Note 28.2 & 28.3 & 28.4 & 28.5	-	(6 909 003)
	Land & Buildings transferred to PPE out of Valuation Roll & funded from Accumulated Surplus - Note 28.2 & 28.5	-	38 668 700
	Correction on capital spending on Masabanbane for 2007/08 not recorded as income- Note 28.9	89 875	
	Total	70 457 684	31 881 852
28.2	***Accumulated Surplus/(Deficit)***		
	Refer to PPE Note 9 & 28.1	-	(122 155)
	Land & Buildings transferred out of PPE as it is not tracable to Valuation Roll - Note 28.1 & 28.3 & 28.4 & 28.5	-	2 896 847
	Land & Buildings transferred to PPE out of Valuation Roll & funded from Accumulated Surplus - Note 28.1 & 28.5	-	(7 039 655)
	Correction on capital spending on Masabanbane for 2007/08 not recorded as Unpaid Conditional Government Grants and Receipts - Note 28.7	(89 875)	
	Bulk Purchases understated & corrected with transfer from accumulated surplus - Note 28.6	-	438 596
	Total	(89 875)	(3 826 367)
28.3	***Government Grant Reserve***		
	Land & Buildings transferred out of PPE as it is not tracable to Valuation Roll - Note 28.1 & 28.2 & 28.4 & 28.5	-	1 278 022
	Total	-	1 278 022
28.4	***Capitalisation Reserve***		
	Land & Buildings transferred out of PPE as it is not tracable to Valuation Roll - Note 28.1 & 28.2 & 28.3 & 28.5	-	559 937
	Total	-	559 937
28.5	***Accumulated Depreciation - GAMAP 17***		
	Land & Buildings transferred out of PPE as it is not tracable to Valuation Roll - Note 28.1 & 28.2 & 28.3 & 28.4	-	2 174 197
	Land & Buildings transferred to PPE out of Valuation Roll to be tracable - Note 28.1 & 28.2	-	(31 629 045)
	Total	-	(29 454 848)
28.6	***Trade and Other Payables***		
	Bulk Purchases understated and corrected with transfer from accumulated surplus - Note 28.2	-	(438 596)
	Total	-	(438 596)
28.7	**Unpaid Conditional Government Grants and Receipts**		
	Correction on capital spending on Masabanbane for 2007/08 not recorded as Unpaid Conditional Government Grants and Receipts - Note 28.2	89 875	-
	Total	**89 875**	**-**
28.8	**Accumulated Amortisation**		
	Balance previously reported	(167 294)	-
	Correction on incorrect calculation of amortisation on intangable assets for 2007/08 - Note 28.9	46 601	-
	Total	**(120 693)**	**-**
28.9	**Changes to Statement of Financial Performance**		
	Balance previously reported	11 919 238	-
	Correction on capital spending on Masabanbane for 2007/08 not recorded as income- Note 28.1	89 875	-
	Correction on incorrect calculation of amortisation on intangable assets for 2007/08 - Note 28.8	46 601	-
	Total	**12 055 714**	**-**

29 RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS

Surplus/(Deficit) for the year	5 937 789	12 055 714
Adjustments for:		
Depreciation and amortisation	6 977 854	7 096 910
(Gain)/Loss on disposal of property, plant and equipment	(54 823)	(6 452 787)
Debt Impairments	11 610 520	-
Investment income	(1 846 658)	(2 224 660)
Interest paid	1 793 737	1 682 406
Operating Surplus/(Deficit) before changes in working capital	24 418 419	12 157 584
Changes in working capital	786 710	(3 665 351)
(Increase)/Decrease in inventories	172 308	52 974
Increase/(Decrease) in Trade and Other Payables	5 832 554	(63 478)
Increase/(Decrease) in Unspent Conditional Government Grants and Receipts	5 457 138	543 789
(Increase)/Decrease in Unpaid Conditional Grants and Receipts	89 875	670 122
Increase/(Decrease) in Taxes	(1 106 477)	802 757
(Increase)/Decrease in Trade Receivables from exchange transactions	(8 010 909)	(2 510 677)
(Increase)/Decrease in Other Receivables from non-exchange transactions	(1 647 778)	(3 160 839)
Cash generated/(absorbed) by operations	**25 205 128**	**8 492 233**

30 CASH AND CASH EQUIVALENTS

	2009 R	2008 R
Cash and cash equivalents included in the cash flow statement comprise the following:		
Call Investments Deposits - Note 16	20 000 000	8 000 000
Cash Floats - Note 16	1 900	1 800
Bank - Note 16	-	10 882 821
Bank overdraft - Note 16	(343 631)	-
Total cash and cash equivalents	**19 658 269**	**18 884 621**

31 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION

	2009 R	2008 R
Long-term Liabilities - Note 4	18 314 564	17 320 095
Used to finance property, plant and equipment - at cost	(18 314 564)	(17 320 095)
	-	-
Cash set aside for the repayment of long-term liabilities		
Cash invested for repayment of long-term liabilities	**-**	**-**

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act

32 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

32.1 Unauthorised expenditure

	2009 R	2008 R
Reconciliation of unauthorised expenditure:		
Opening balance	-	-
Unauthorised expenditure current year	13 079 210	4 844 593
Approved by Council or condoned	-	(4 844 593)
Transfer to receivables for recovery	-	-
Unauthorised expenditure awaiting authorisation	**13 079 210**	**-**

Incident		Disciplinary steps/criminal proceedings
Over expenditure of approved budget		*None*

32.2 Fruitless and wasteful expenditure

	2009 R	2008 R
Reconciliation of fruitless and wasteful expenditure:		
Opening balance	-	-
Fruitless and wasteful expenditure current year	-	-
Condoned or written off by Council	-	-
Transfer to receivables for recovery - not condoned	-	-
Fruitless and wasteful expenditure awaiting condonement	**-**	**-**

Incident		Disciplinary steps/criminal proceedings
None		*None*

		2009 R	2008 R
32.3	**Irregular expenditure**		
	Reconciliation of irregular expenditure:		
	Opening balance	-	-
	Irregular expenditure current year	-	-
	Condoned or written off by Council	-	-
	Transfer to receivables for recovery - not condoned	-	-
	Irregular expenditure awaiting condonement	**-**	**-**

Incident		Disciplinary steps/criminal proceedings
None		*None*

		2009 R	2008 R
33	**ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT**		
33.1	**Contributions to organised local government - [MFMA 125 (1)(b)] - SALGA CONTRIBUTIONS**		
	Opening balance	-	-
	Council subscriptions	119 628	82 154
	Amount paid - current year	(119 628)	(82 154)
	Amount paid - previous years	-	-
	Balance unpaid (included in creditors)	**-**	**-**

		2009 R	2008 R
33.2	**Audit fees - [MFMA 125 (1)(b)]**		
	Opening balance	429 393	-
	Current year audit fee	1 722 679	1 153 007
	External Audit - Auditor-General	1 722 679	1 153 007
	Internal Audit	-	-
	Audit Committee	-	-
	Amount paid - current year	(1 487 967)	(723 614)
	Amount paid - previous year	(429 393)	-
	Balance unpaid (included in creditors)	**234 712**	**429 393**

		2009 R	2008 R
33.3	**VAT - [MFMA 125 (1)(b)]**		
	Vat inputs receivables and Vat outputs payables are shown in Note 8	706 682	(399 795)

		2009 R	2008 R
33.4	**PAYE, SDL and UIF - [MFMA 125 (1)(b)]**		
	Opening balance	-	-
	Current year payroll deductions and Council Contributions	4 174 991	-
	Amount paid - current year	(4 174 991)	-
	Balance unpaid (included in creditors)	**-**	**-**

		2009 R	2008 R
33.5	**Pension and Medical Aid Deductions - [MFMA 125 (1)(b)]**		
	Opening balance	-	-
	Current year payroll deductions and Council Contributions	(7 625 183)	-
	Amount paid - current year	7 625 183	-
	Pension	2 450 985	-
	Councillors Pension Fund	362 736	-
	Medical Aid	2 944 021	-
	SAMWU Provident Fund	1 867 441	-
	Balance unpaid (included in creditors)	**-**	**-**

33.6 Councillor's arrear consumer accounts - [MFMA 125 (1)(b)

The following Councillors had arrear accounts for more than 90 days as at 30 JUNE 2009:

	Outstanding more than 90 days
None	

33.7 Non-Compliance with Chapter 11 of the Municipal Finance Management Ac

Swellendam Municipality has implemented a Supply Chain Management Unit during August 2008 and Management believe that the municipality complied to Chapter 11 of the Municipal Finance Management Act.

33.8 Quotations awarded - Section 45 - Supply Chain Managemen

Person/Company	Officia		
Brainwave Projects 1254 CC	JA Basson	28 580	125 914
2D Visual Marketing	D Engelbrecht	40 663	14 544
Infinite Prospects 176 CC T/A Byron Woodworks	DY Carelse	12 001	7 374
Sisza Ukanyo 1130 Trading	J Jansen	-	208 900
Business Zone CC	J Jansen	-	185 500
Shine the way CC 1157	N Goliath	-	38 000
		81 244	580 232

		2009 R	2008 R
34	**CAPITAL COMMITMENTS**		
	Commitments in respect of capital expenditure		
	Approved and contracted for:	13 872 188	10 865 490
	Approved but not yet contracted for	6 440 057	12 199 950
	Total	**20 312 245**	**23 065 440**

	2009 R	2008 R
This expenditure will be financed from:		
External Loans	6 093 464	13 611 230
Capital Replacement Reserve	4 301 653	-
Government Grants	9 857 909	-
Own Resources	59 219	9 454 210
	20 312 245	**23 065 440**

		2009 R	2008 R
35	**FINANCIAL RISK MANAGEMENT**		

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions

(b) Interest Rate Risk

The Municipality is exposed to interest rate risk due to the movements in long-term and short term interest rates.

This risk is managed on an ongoing basis.

(c) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk arises mainly from cash and cash equivalents, instruments and deposits with banks and financial institutions, as well as credit exposures to consumer and grant debtors.

For banks and financial institutions, only independently rated parties with a minimum rating of 'B+ are accepted. Grants are receivable from higher order levels of government. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. This increases the credit risk in respect of consumer debtors. The risk of non- payment is managed on an ongoing basis and where practical, services are terminated and procedures applied to recover outstanding amounts owing and an appropriate level of impairment provision for default is maintained.

(d) Liquidity Risk

Liquidity risk is the risk that the municipality will encounter difficulty in raising funds to meet commitments associated with financial liabilities.

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities.

The financial liabilities of the municipality are backed by appropriate assets and it has adequate liquid resources. The Council monitors the cash projections and by ensuring that borrowing facilities are available to meet its cash requirements.

(e) Other Risks

Potential concentrations of credit risk and interest rate risk consist mainly of fixed deposit investments, long-term debtors, consumer debtors, other debtors, short-term investment deposits and bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction / exposure limits, which are included in the municipality's Investment Policy.

Consumer debtors comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of an allowance for impairment.

In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policv.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

		2009 R	2008 R
36	**EVENTS AFTER THE REPORTING DATE**		

Management is not aware of any events after reporting date.

		2009 R	2008 R
37	**IN-KIND DONATIONS AND ASSISTANCE**		

The municipality did not receive any in-kind donations or assistance during the year under review.

		2009 R	2008 R
38	**PRIVATE PUBLIC PARTNERSHIPS**		

Council has not entered into any private public partnerships during the financial year.

		2009 R	2008 R
39	**COMPARISON WITH THE BUDGET**		

The comparison of the municipality's actual financial performance with that budgeted, is set out in Annexure "E (1) and E (2)".

		2009 R	2008 R
40	**CONTINGENT LIABILITY**		

The Council awaits the outcome of claims that were not approved by the Insurance Company.

		2009 R	2008 R
41	**RELATED PARTIES**		

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

41.1 Related Party Transactions

	Rates Levied for June	Service Charges Levied for June	Outstanding Balances for June
Year ended 30 JUNE 2009			
Councillors	619	2 858	-1 265
Municipal Manager and Section 57 Employees	-	1 138	1 197

The rates, service charges and other charges are in accordance with approved tariffs. No impairment expenses have been recognised in respect of amounts owed by related parties.

41.2 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted. Loans granted prior to this date, together with the conditions, are disclosed in note 12 to the Annual Financial Statements.

41.3 Compensation of key management personne

The compensation of key management personnel is set out in note 21 to the Annual Financial Statements.

41.4 Other related party transactions

		2009	2008
The following purchases were made during the year where Councillors or Management have an interest:		R	R
Councillor/Staff Member	Entity		
None		-	-

42

Exemptions taken according to the exemptions gazetted in terms of Government Notice No. 30013 of 29 June 2007 and specifically paragraph 3(2) b of the above-mentioned notice.

42.1 • Financial Instruments: Recognition and Measurement (AC133) Initially measuring financial assets and liabilities at fair value. [SAICA Circular 09/06 paragraphs 43, AG 79, AG 64 and AG 65 of AC 133]

42.2 • Financial Instruments: Disclosure (AC144) Entire standard to be replaced by IAS 32 (AC 125) issued August 2006 and effective for financial statements covering periods beginning on or after 1 January 1998.

42.3 • Leases (AC 105) Recognising operating lease payments / receipts on a straight line basis if the amount is recognised on the basis of the cash flows in the lease agreement. [SAICA Circular 12/06 paragraphs 8-11 and paragraphs 33, 34, 50, 51 of AC 105)]

42.4 • Intangible Assets (AC 129) The entire standards except for the recognition, measurement and disclosure of the computer software and website costs (AC 432) and all other costs were expensed.

42.5 • Investment Property (AC 135) The entire standard to the extent that property is accounted for in terms of GAMAP 17.

42.6 • Investment Property (AC 135) Disclosure of the fair value of investment property if the cost model is applied and where the municipality has recognised investment property in terms of this standard. [Paragraphs 79(e)(i) – (iii)]

42.7 • Inventories: The entire standard as far as it relates to immovable capital assets inventory that is accounted for in terms of GAMAP 17. The entire standard to the extent that it relates to water stock that was not purchased by the municipality.

42.8 • Employee benefits: Exempted compliance with AC 116 (Employee benefits) with regards to defined benefit accounting as far as it relates to defined benefit plans accounted for as defined contribution plans and defined benefit obligation disclosed by narrative information (paragraphs 29, 48 - 119 and 120A(c) - (q))

42.9 • Accounting for Government Grants and Disclosure of Government Assistance (AC134) Entire standard excluding paragraphs 24 and 26, replaced by paragraph 08 of GAMAP 12, paragraph 25 of GAMAP 17 and paragraphs 42 – 46 of GAMAP 9.

42.10 • Segment Reporting (AC115) Entire Standard

42.11 • Operating Segments (AC146) Entire Standard

42.12 • Construction Contracts (AC109) Entire Standard

42.13 • Business Combinations (AC140) Entire Standard

9 PROPERTY, PLANT AND EQUIPMENT

30 JUNE 2009

Reconciliation of Carrying Value	Land and Buildings R	Infrastructure R	Community R	Other R	Total R
Carrying value at 1 JULY 2008	15 072 128	47 552 320	3 973 629	3 859 607	70 457 684
Cost	48 529 808	65 767 123	4 514 669	9 898 581	128 710 181
Original Cost	48 529 808	65 767 123	4 514 669	9 898 581	128 710 181
Accumulated Depreciation	(33 457 681)	(18 214 803)	(541 040)	(6 038 974)	(58 252 498)
Original Cost	(33 457 681)	(18 214 803)	(541 040)	(6 038 974)	(58 252 498)
Acquisitions	-	22 255 649	190 631	3 208 975	25 655 255
Cost	-	22 255 649	190 631	3 208 975	25 655 255
Depreciation	(1 448 450)	(4 134 711)	(151 327)	(1 202 883)	(6 937 370)
Normal Depreciation	(1 448 450)	(4 134 711)	(151 327)	(1 202 883)	(6 937 370)
Impairment losses	-	-	-	-	-
Cost	-	-	-	(87 282)	(87 282)
Accumulated Depreciation	-	-	-	87 282	87 282
Carrying value at 30 JUNE 2009	13 623 678	65 673 258	4 012 934	5 865 699	89 175 569
Carrying value at 30 JUNE 2009	13 623 678	65 673 258	4 012 934	5 865 699	89 175 569
Cost	48 529 808	88 022 772	4 705 301	13 020 274	154 278 155
Original Cost	48 529 808	88 022 772	4 705 301	13 020 274	154 278 155
Accumulated Depreciation	(34 906 130)	(22 349 514)	(692 367)	(7 154 575)	(65 102 586)
Original Cost	(34 906 130)	(22 349 514)	(692 367)	(7 154 575)	(65 102 586)

9 PROPERTY, PLANT AND EQUIPMENT

30 JUNE 2008

Reconciliation of Carrying Value	Land and Buildings R	Infrastructure R	Community R	Other R	Total R
Carrying value at 1 JULY 2007	16 655 929	45 321 573	2 170 641	2 639 052	66 787 195
Cost	48 529 808	59 444 632	2 560 592	7 448 233	117 983 265
Original Cost	48 529 808	59 444 632	2 560 592	7 448 233	117 983 265
Accumulated Depreciation	(31 873 879)	(14 123 059)	(389 951)	(4 809 181)	(51 196 070)
Original Cost	(31 873 879)	(14 123 059)	(389 951)	(4 809 181)	(51 196 070)
Acquisitions	-	6 232 616	1 954 077	2 450 348	10 637 041
Original Cost	-	6 232 616	1 954 077	2 450 348	10 637 041
Depreciation	(1 583 801)	(4 091 744)	(151 089)	(1 229 793)	(7 056 427)
Normal Depreciation	(1 583 801)	(4 091 744)	(151 089)	(1 229 793)	(7 056 427)
Backlog Depreciation previously not recorded	-	-	-	-	-
Correction of Error Note 28.1	-	89 875	-	-	89 875
Cost	-	89 875	-	-	89 875
Carrying value at 30 JUNE 2008	15 072 128	47 552 320	3 973 629	3 859 607	70 457 684
Carrying value at 30 JUNE 2008	15 072 128	47 552 320	3 973 629	3 859 607	70 457 684
Cost	48 529 808	65 767 123	4 514 669	9 898 581	128 710 181
Original Cost	48 529 808	65 767 123	4 514 669	9 898 581	128 710 181
Accumulated Depreciation	(33 457 681)	(18 214 803)	(541 040)	(6 038 974)	(58 252 498)
Original Cost	(33 457 681)	(18 214 803)	(541 040)	(6 038 974)	(58 252 498)

9 PROPERTY, PLANT AND EQUIPMENT

Exemptions taken according to the exemptions gazetted in terms of Government Notice No. 30013 of 29 June 2007 and specifically paragraph 3(2) b of the above-mentioned notice, as well as Directve 4 issued by the Accounting Standards Board. (References to GAMAP 17 also relates to GRAP 17).

• Property, Plant and Equipment (GAMAP 17) Review of useful life of item of PPE recognised in the annual financial statements. [Paragraphs 59-61 and 77]

• Property, Plant and Equipment (GAMAP 17) Review of the depreciation method applied to PPE recognised in the annual financial statements. [Paragraphs 62 and 77]

• Property, Plant and Equipment (GAMAP 17) Impairment of non-cash generating assets. [Paragraphs 64-69 and 75(e)(v) – (vi)]

• Property, Plant and Equipment (GAMAP 17) Impairment of cash generating assets. [Paragraphs 63 and 75(e)(v) – (vi)]

• Impairments of Assets (AC 128) Entire Standard

• Investment Property (AC 135) The entire standard to the extent that property is accounted for in terms of GAMAP 17.

• Investment Property (AC 135) Disclosure of the fair value of investment property if the cost model is applied and where the municipality has recognised investment property in terms of this standard. [Paragraphs 79(e)(i) – (iii)]

• Intangible Assets (AC 129) The entire standards except for the recognition, measurement and disclosure of the computer software and website costs (AC 432) and all other costs were expensed.

• Non-current Assets Held for Sale and Discontinued Operations (AC142) Classification, measurement and disclosure of non-current assets held for sale. [paragraphs 6-14, 15-29 (in so far as it relates to non-current assets held for sale), 38-42]

The Municipality has taken advantage of the transitional provisions set out in GAMAP 17. The Municipality is in the process of itemizing all infrastructure and community assets and will recalculate accumulated depreciation once this exercise has been completed by 30 June 2011. At present depreciation on these assets is calculated on an averaging basis whereby an average useful life has been estimated for each category of infrastructure and community assets, using global historical costs recorded in the accounting records.

APPENDIX A
SWELLENDAM MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2009

EXTERNAL LOANS	Rate	Redeemable	Balance at 30 JUNE 2008	Received during the period	Redeemed written off during the period	Balance at 30 JUNE 2009
ANNUITY LOANS						
L.F.P.O.- ELECTRICITY - LOAN FUND	14.10%	2008	105 203	-	105 203	-
L.F.P.O.- SEWERAGE(INDUSTRIAL) - LOAN FUND	15.90%	2013	96 713	-	13 908	82 805
UPGRADING SEWERAGE - LOAN FUND	15.77%	2008	36 278	-	36 278	-
STREETS - DBSA	15.30%	2021	399 147	-	30 704	368 443
UPGRADING OF ELECTRICAL NETWORK - DBSA	15.75%	2021	1 421 022	-	105 261	1 315 761
INFRASTRUCTURE - DBSA	15.45%	2017	980 352	-	103 195	877 157
INFRASTRUCTURE - PHASE 2 - DBSA	10.56%	2024	4 701 680	-	121 931	4 579 749
INFRASTRUCTURE - PHASE 4 - DBSA	9.83%	2017	4 845 269	293 596	379 913	4 758 952
INFRASTRUCTURE - PHASE 3 - DBSA	9.10%	2025	4 734 431	-	120 334	4 614 097
INFRASTRUCTURE - 2007 - DBSA	11.12%	2029/03/31	-	1 717 599	-	1 717 599
Total Annuity Loans			**17 320 095**	**2 011 195**	**1 016 726**	**18 314 564**
TOTAL EXTERNAL LOANS			**17 320 095**	**2 011 195**	**1 016 726**	**18 314 564**

APPENDIX B
SWELLENDAM MUNICIPALITY
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2009

	Cost/Revaluation						Accumulated Depreciation				Carrying
	Opening Balance	Additions	Under Construction	Revaluation	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Value
Land and Buildings											
Land	5 076 313	-	-	-	-	5 076 313	-	-	-	-	5 076 313
Buildings	43 453 495	-	-	-	-	43 453 495	33 457 681	1 448 450	-	34 906 130	8 547 365
	48 529 808	**-**	**-**	**-**	**-**	**48 529 808**	**33 457 681**	**1 448 450**	**-**	**34 906 130**	**13 623 678**
Infrastructure											
Access control	49 617	6 066	-	-	-	55 683	9 548	10 033	-	19 581	36 102
Bridges, subways & culverts	292 124	-	-	-	-	292 124	35 745	9 737	-	45 483	246 641
Fencing	155 447	-	-	-	-	155 447	146 773	3 080	-	149 852	5 594
Footways	47 529	-	-	-	-	47 529	9 512	2 376	-	11 889	35 640
Meters	49 750	-	-	-	-	49 750	3 725	3 317	-	7 042	42 708
Other roads	17 892 622	8 795 737	-	-	-	26 688 359	4 922 484	1 758 310	-	6 680 794	20 007 565
Outfall sewers	2 265 994	-	-	-	-	2 265 994	142 611	113 300	-	255 911	2 010 083
Pump stations	28 250	-	-	-	-	28 250	4 241	1 413	-	5 654	22 596
Purification works	3 883 126	-	-	-	-	3 883 126	1 423 701	194 156	-	1 617 857	2 265 268
Reservoirs & tanks	5 461 760	-	-	-	-	5 461 760	1 553 854	273 088	-	1 826 942	3 634 818
Security systems	19 382	-	-	-	-	19 382	7 546	3 876	-	11 422	7 960
Sewerage pump	140 804	-	-	-	-	140 804	73 752	9 387	-	83 139	57 665
Sewers	6 509 673	7 837 073	-	-	-	14 346 746	1 428 522	325 484	-	1 754 006	12 592 739
Supply/reticulation	28 440 808	5 616 773	-	-	-	34 057 581	8 277 135	1 407 212	-	9 684 347	24 373 233
Switchgear equipment	109 969	-	-	-	-	109 969	27 523	5 498	-	33 021	76 949
Traffic lights	26 113	-	-	-	-	26 113	11 443	1 306	-	12 749	13 364
Transformer kiosks	394 157	-	-	-	-	394 157	136 686	13 139	-	149 824	244 333
	65 767 123	**22 255 649**	**-**	**-**	**-**	**88 022 772**	**18 214 803**	**4 134 711**	**-**	**22 349 514**	**65 673 258**
Community Assets											
Cemeteries	165 600	-	-	-	-	165 600	9 125	5 520	-	14 645	150 955
Clinics/Hospitals	-	-	-	-	-	-	-	-	-	-	-
Community Centres	1 655 489	98 515	-	-	-	1 754 004	55 183	55 354	-	110 537	1 643 467
Hostels - workers	51 301	-	-	-	-	51 301	11 979	1 710	-	13 690	37 611
Housing Scheme	1 487 224	-	-	-	-	1 487 224	99 284	49 574	-	148 858	1 338 366
Libraries	17 515	92 116	-	-	-	109 631	584	584	-	1 168	108 463
Office Buildings	520 718	-	-	-	-	520 718	211 486	17 357	-	228 843	291 875
Parks	20 000	-	-	-	-	20 000	1 333	1 333	-	2 667	17 333
Public conveniences/bathhouses	60 341	-	-	-	-	60 341	12 494	2 011	-	14 505	45 836
Workshop	536 482	-	-	-	-	536 482	139 572	17 883	-	157 454	379 028
	4 514 669	**190 631**	**-**	**-**	**-**	**4 705 301**	**541 040**	**151 327**	**-**	**692 367**	**4 012 934**
Heritage Assets											
Historical Buildings	-	-	-	-	-	-	-	-	-	-	-
Museums / Kunsgalerye	-	-	-	-	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total carried forward	**118 811 600**	**22 446 280**	**-**	**-**	**-**	**141 257 881**	**52 213 524**	**5 734 487**	**-**	**57 948 011**	**83 309 869**

APPENDIX B
SWELLENDAM MUNICIPALITY
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2009

	Cost						Accumulated Depreciation				Carrying
	Opening Balance	Additions -	Under Construction	Revaluation -	Disposals -	Closing Balance	Opening Balance	Additions -	Disposals -	Closing Balance	Value -
Total brought forward	**118 811 600**	**22 446 280**	**-**	**-**	**-**	**141 257 881**	**52 213 524**	**5 734 487**	**-**	**57 948 011**	**83 309 869**
Other Assets											
Air conditioners	142 093	87 914	-	-	-	230 007	99 484	21 261	-	120 746	109 261
Bulk containers	75 519	-	-	-	-	75 519	29 339	7 552	-	36 891	38 628
Cabinets/cupboards	212 550	-	-	-	-	212 550	128 579	18 650	-	147 229	65 321
Caravan parks	13 255	-	-	-	-	13 255	4 315	442	-	4 757	8 498
Chairs	27 507	3 930	-	-	-	31 437	9 746	4 162	-	13 908	17 530
Computer hardware	881 455	298 688	-	-	-	1 180 143	615 526	79 810	-	695 336	484 807
General plant	724 517	338 153	-	-	-	1 062 670	551 022	112 527	-	663 549	399 121
Generator	87 468	13 742	-	-	-	101 210	21 145	17 847	-	38 992	62 217
Graders	280 180	-	-	-	-	280 180	165 020	14 700	-	179 720	100 460
Household refuse bins	29 107	-	-	-	-	29 107	29 107	-	-	29 107	-
Irrigation systems	149 241	-	-	-	-	149 241	70 282	9 949	-	80 232	69 009
Lawnmowers	185 532	-	-	-	-	185 532	167 691	16 465	-	184 156	1 375
Mechanical horses	547 635	534 522	-	-	-	1 082 157	511 648	34 082	-	545 729	536 428
Miscellaneous furniture	274 260	63 394	-	-	-	337 654	84 724	35 863	-	120 587	217 067
Office machines	76 156	38 196	-	-	-	114 352	67 514	6 516	-	74 030	40 323
Other land	1 960	-	-	-	-	1 960	-	-	-	-	1 960
Pumps	290 993	-	-	-	-	290 993	101 323	55 092	-	156 416	134 578
Radio equipment	346 289	-	-	-	-	346 289	114 387	63 259	-	177 645	168 644
Studies and Systems	-	821 607	-	-	-	821 607	-	22 021	-	22 021	799 587
Tables/desks	41 144	5 376	-	-	-	46 520	12 157	5 146	-	17 303	29 217
Telecommunication equipment	198 313	-	-	-	-	198 313	192 401	1 972	-	194 373	3 940
Tip sites	48 159	-	-	-	-	48 159	8 035	1 605	-	9 641	38 518
Tippers	217 190	-	-	-	-	217 190	154 828	6 933	-	161 761	55 429
Town planning	1 445 356	249 435	-	-	-	1 694 791	701 074	197 123	-	898 197	796 595
Tracktors	214 724	-	-	-	-	214 724	125 906	11 106	-	137 012	77 712
Transport facilities	9 740	-	-	-	-	9 740	2 599	325	-	2 924	6 816
Trucks/bakkies	3 241 123	-	-	-	87 282	3 153 841	2 014 986	380 488	87 282	2 308 192	845 649
Tools	23 472	13 349	-	-	-	36 821	5 605	8 633	-	14 238	22 583
Vehicles	113 642	740 669	-	-	-	854 311	50 530	69 353	-	119 883	734 428
	9 898 581	**3 208 975**	**-**	**-**	**87 282**	**13 020 274**	**6 038 974**	**1 202 883**	**87 282**	**7 154 575**	**5 865 699**
Total Property, Plant and Equipment	**128 710 181**	**25 655 255**	**-**	**-**	**87 282**	**154 278 155**	**58 252 498**	**6 937 370**	**87 282**	**65 102 586**	**89 175 569**
Intangible Assets											
Computer Software	201 659	-	-	-	-	201 659	120 693	40 483	-	161 176	40 483
	201 659	**-**	**-**	**-**	**-**	**201 659**	**120 693**	**40 483**	**-**	**161 176**	**40 483**
Investment Properties											
Investment Properties	2 508 635	-	-	-	-	2 508 635	-	-	-	-	2 508 635
	2 508 635	**-**	**-**	**-**	**-**	**2 508 635**	**-**	**-**	**-**	**-**	**2 508 635**
Total	**131 420 475.11**	**25 655 255**	**-**	**-**	**87 282**	**156 988 449**	**58 373 191**	**6 977 854**	**87 282**	**65 263 762**	**91 724 686**

APPENDIX C
SWELLENDAM MUNICIPALITY
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2009
GENERAL FINANCE STATISTICS CLASSIFICATION

	Cost				Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals Income	Closing Balance	
Executive & Council	149 432	21 899	-	171 331	28 185	27 922	-	56 107	115 224
Budget & Treasury Office	34 818 688	52 308	-	34 870 997	24 046 167	1 094 053	-	25 140 220	9 730 777
Corporate Services	2 041 639	1 001 990	-	3 043 628	900 494	217 553	-	1 118 046	1 925 582
Planning & Development	17 603 022	-	50 511	17 552 511	6 499 960	1 533 646	50 511	7 983 095	9 569 416
Community & Social Services	4 539 320	207 531	-	4 746 852	430 634	155 498	-	586 131	4 160 720
Public Safety	4 878 308	189 279	-	5 067 587	658 688	505 125	-	1 163 813	3 903 774
Sport & Recreation	12 420 207	-	-	12 420 207	10 227 883	430 214	-	10 658 097	1 762 110
Waste Management	1 201 986	-	-	1 201 986	907 943	46 485	-	954 428	247 557
Waste Water Management	14 123 603	7 837 073	-	21 960 675	3 572 454	818 979	-	4 391 433	17 569 242
Road Transport	438 927	10 389 025	-	10 827 952	204 993	92 915	-	297 908	10 530 044
Water	18 061 997	2 456 483	-	20 518 479	5 968 767	892 224	-	6 860 990	13 657 489
Electricity	18 433 052	3 499 667	36 771	21 895 949	4 806 330	1 122 757	36 771	5 892 316	16 003 632
	128 710 181	**25 655 255**	**87 282**	**154 278 155**	**58 252 498**	**6 937 370**	**87 282**	**65 102 586**	**89 175 569**

APPENDIX D

SWELLENDAM MUNICIPALITY

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009

GENERAL FINANCE STATISTIC CLASSIFICATIONS

2008 Actual Income R	2008 Actual Expenditure R	2008 Surplus/ (Deficit) R		2009 Actual Income R	2009 Actual Expenditure R	2009 Surplus/ (Deficit) R
22 861 787	(7 896 320)	14 965 466	Executive & Council	16 789 127	(9 112 269)	7 676 859
4 748 503	(4 763 846)	(15 343)	Budget & Treasury Office	6 435 271	(10 731 774)	(4 296 502)
528 846	(7 942 803)	(7 413 958)	Corporate Services	750 128	(8 533 438)	(7 783 310)
427 011	(4 574 285)	(4 147 274)	Planning & Development	497 800	(7 708 265)	(7 210 464)
-	(9 601)	(9 601)	Health	-	(6 012)	(6 012)
1 833 520	(1 999 103)	(165 583)	Community & Social Services	508 831	(2 442 433)	(1 933 602)
4 258 720	(2 014 446)	2 244 274	Public Safety	5 133 822	(2 921 823)	2 211 999
659 282	(3 898 289)	(3 239 007)	Sport & Recreation	655 245	(4 815 339)	(4 160 094)
4 315 762	(2 283 113)	2 032 649	Waste Management	4 709 517	(4 381 768)	327 749
8 178 756	(4 644 357)	3 534 398	Waste Water Management	21 794 331	(6 941 786)	14 852 545
341 818	(7 177 479)	(6 835 661)	Road Transport	415 536	(4 919 870)	(4 504 334)
11 315 997	(5 894 005)	5 421 992	Water	14 322 603	(8 578 147)	5 744 456
20 369 277	(17 219 065)	3 150 212	Electricity	26 667 603	(24 308 892)	2 358 712
						-
79 839 277	(70 316 713)	9 522 564	Sub Total	98 679 814	(95 401 815)	3 277 999
-	2 533 150	2 533 150	Less Inter-Departmental Charges	-	2 659 790	2 659 790
79 839 277	(67 783 563)	12 055 714	**Total**	98 679 814	(92 742 025)	5 937 789

APPENDIX E(1)
SWELLENDAM MUNICIPALITY
REVENUE AND EXPENDITURE
ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2009
GENERAL FINANCE STATISTIC CLASSIFICATIONS

	2009 Actual (R)	2009 Budget (R)	2009 Variance (R)	2009 Variance (%)	Explanation of Significant Variances greater than 10% versus Budget
REVENUE					
Property Rates	15 815 252	16 685 400	(870 148)	-5.22%	
Government Grants and Subsidies	26 644 807	12 592 000	14 052 807	111.60%	
Fines	3 539 578	3 177 250	362 328	11.40%	
Service Charges	44 612 000	43 346 652	1 265 348	2.92%	
Rental of Facilities and Equipment	1 053 824	946 500	107 324	11.34%	
Interest Earned - External Investments	1 846 658	900 000	946 658	105.18%	
Interest Earned - Outstanding Debtors	1 777 430	1 520 000	257 430	16.94%	
Licences and Permits	1 013 752	1 011 400	2 352	0.23%	
Agency Services	713 549	550 000	163 549	29.74%	
Other Revenue	1 608 140	661 100	947 040	143.25%	
Gains on Disposal of PPE	54 823	-	54 823	0.00%	
Total Revenue	**98 679 814**	**81 390 302**	**17 289 512**	**21.24%**	
EXPENDITURE					
Executive & Council	(9 112 269)	(6 468 626)	(2 643 643)	40.87%	Debt Impairments
Budget & Treasury Office	(10 731 774)	(8 729 102)	(2 002 672)	22.94%	Debt Impairments
Corporate Services	(8 533 438)	(7 139 411)	(1 394 027)	19.53%	Depreciation allocation
Planning & Development	(7 708 265)	(7 053 716)	(654 549)	9.28%	
Health	(6 012)	(5 290)	(722)	13.64%	Repairs and Maintenance allocation
Community & Social Services	(2 442 433)	(2 717 457)	275 024	-10.12%	
Public Safety	(2 921 823)	(2 733 931)	(187 892)	6.87%	
Sport & Recreation	(4 815 339)	(4 482 526)	(332 813)	7.42%	
Waste Management	(4 381 768)	(2 196 189)	(2 185 579)	99.52%	Salary, Repairs and Maintenace, Debt Impairments
Waste Water Management	(6 941 786)	(4 749 012)	(2 192 774)	46.17%	Debt Impairments
Road Transport	(4 919 870)	(5 681 692)	761 822	-13.41%	
Water	(8 578 147)	(7 093 607)	(1 484 540)	20.93%	Debt Impairments
Electricity	(24 308 892)	(24 475 909)	167 017	-0.68%	
Less: Interdepartmental Charges	2 659 790	2 659 790	-	0.00%	
Total Expenditure	**(92 742 025)**	**(80 866 678)**	**(11 875 347)**	**14.69%**	
SURPLUS / (DEFICIT) FOR THE YEAR	**5 937 789**	**523 624**	**5 414 165**		

APPENDIX E (2)
SWELLENDAM MUNICIPALITY
ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2009
ACGUISITION OF PROPERTY, PLANT AND EQUIPMENT & INTANGABLE ASSETS
GENERAL FINANCE STATISTIC CLASSIFICATIONS

	2009 Actual	2009 Under Construction	2009 Total Additions	2009 Budget	2009 Variance	2009 Variance	Explanation of Significant Variances greater than 5% versus Budget
	R	R	R	R	R	%	
Executive & Council	21 899	-	21 899	40 000	(18 101)	-45.25%	
Budget & Treasury Office	52 308	-	52 308	212 000	(159 692)	-75.33%	
Corporate Services	1 001 990	-	1 001 990	1 921 000	(919 010)	-47.84%	
Community & Social Services	207 531	-	207 531	1 050 000	(842 469)	-80.24%	
Housing	-	-	-	4 088 000	(4 088 000)	-100.00%	
Public Safety	189 279	-	189 279	245 000	(55 721)	-22.74%	
Waste Management	-	-	-	150 000	(150 000)	-100.00%	
Waste Water Management	7 837 073	-	7 837 073	10 309 000	(2 471 927)	-23.98%	
Road Transport	10 389 025	-	10 389 025	17 203 000	(6 813 975)	-39.61%	
Water	2 456 483	-	2 456 483	3 889 833	(1 433 350)	-36.85%	
Electricity	3 499 667	-	3 499 667	6 860 000	(3 360 333)	-48.98%	
Total	25 655 255	-	25 655 255	45 967 833	(20 312 578)	-44.19%	

APPENDIX F
SWELLENDAM MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 1 JULY 2008	Contributions during the year	Interest on Investments	Other Income	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 JUNE 2009
UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS	R	R	R	R	R	R	R
Library Donation: A.S. Powell	12 979		634				13 612.44
Transformation Costs	1 076						1 075.94
Clinic Donation: Markotter Trust	328		16				343.65
Social Plan Fund	21 809		1 065				22 874.50
Swellendam Festival	7						7.16
JG Louw Fund	8 920		436				9 355.42
Upgrade: Library Suurbraak	520						519.72
Structure Plan	838		41				878.58
Disaster Management System	5 894						5 893.96
Toilet Facilities	-						-
Project Preparation	7 700						7 700.00
Vegetable Project - Barrydale	170 684		11 368		89 481		92 570.64
Upgrading : Library Barrydale	20 530					16 740	3 790.32
Spatial Development Contributions	9 387				9 387		-
Council Remuneration Grant	-	493 000			493 000		-
Economic Development Plan	50 000						50 000.00
Financial Management Grant	502 542	1 250 000			1 426 252		326 290.42
Multi-purpose Centrum - Salaries	171 464				89 290		82 173.80
Multi-purpose Centrum	667 040		43 948			98 515	612 472.94
Electricity Master plan	11						10.52
Library Services	3 982	71 249			61 486		13 745.26
Community Development Workers	63 721				63 721		-
MSIG - Municipal Systems Improvement Grant	43 775	735 000			778 775		-
Library Donations	2 563	1 009					3 571.93
Municipal Infrastructure Grant	256 184	9 781 907			204 000	7 837 073	1 997 018.54
Emergency Housing - Malgas	106 361	241 617			314 355		33 621.78
Library Services - Roof Repair		150 000				75 376	74 624.00
Flood damage		9 500 000				5 275 948	4 224 051.96
Masabanbane Projects	-89 875	524 561				425 439	9 247.86
							-
Total	**2 038 439**	**22 748 343**	**57 508**	**-**	**3 529 748**	**13 729 091**	**7 585 451.34**
UNSPENT CONDITIONAL PUBLIC CONTRIBUTIONS AND RECEIPTS							
							-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Receipts	**2 038 439**	**22 748 343**	**57 508**	**-**	**3 529 748**	**13 729 091**	**7 585 451.34**

Library Donation: A.S. Powell

Public Grant - Specific Specifications for Swellendam Library

Transformation Costs

Provincial Grant - Grant to assist in Transformation of Swellendam Municipality.

Clinic Donation: Markotter Trust

Public Grant - Specific Specifications for Swellendam Clinic.

Social Plan Fund

Provincial Grant - Business Plan for Swellendam Municipality.

Swellendam Festival

Provincial Grant - Funds for annual Swellendam Festival.

JG Louw Fund

Public Grant - Specific Specifications - Infanta

Upgrade: Library Suurbraak

Provincial Grant - Upgrading of Suurbraak Library.

Structure Plan

Provincial Grant - Structure Plan for Swellendam Municipality.

Disaster Management System

Provincial Grant - Funds to improve Disaster Management System of Swellendam Municipality.

Toilette Facilities

Provincial Grant - New toilette facilities for Swellendam public.

APPENDIX F
SWELLENDAM MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Project Preparation

Provincial Grant - Flood line measurements for Swellendam Municipality.

Vegetable Project - Barrydale

Provincial Grant - Barrydale funds received for job creation with vegetable project.

Upgrading : Library Barrydale

Provincial Grant - Upgrading of Barrydale Library.

Management Support Programme

Provincial Grant

Public Transport Infrastructure

Provincial Grant

Spatial Development Contributions

Provincial Grant - Spatial Development Framework for Swellendam Municipality

Economic Development Plan

Provincial Grant - Economic Development Plan for Swellendam Municipality.

Financial Management Grant

DORA - Implementation of the MFMA.

Multi-purpose Centrum - Salaries

Provincial Grant - Salaries for employees of the Multi Purpose Centrum for the first 3 years.

Multi-purpose Centrum

Provincial Grant - Building of Multi Purpose Centre for Swellendam Municipality.

Sewerage Network

Provincial Grant

Electricity Master plan

Provincial Grant - Create a Electricity Master Plan for Swellendam Municipality.

Counicil Remuneration Grant

DORA - Support on the Remuneration of Swellendam Municipality Councillors.

Suurbraak - Master plan

Provincial Grant - Create a Electricity Master Plan for Suurbraak.

Library Services

Provincial Grant

Community Development Workers

Provincial Grant

MSIG - Municipal Systems Improvement Grant

DORA - Implementation of the new Rates Act.

Library Donations

Public Donation - Selling of library materials

Emergancy Housing

Provincial Grant - Emergancy Housing at Malagas.

Municipal Infrastructure Grant

DORA - Improvement of sewerage works

Library Services - Roof Repair

Provincial Grant - Repair of Swellendam Library roof.

Flood damage

DORA - MIG - Repair of flood damages in 2007/08

Masabanbane Projects

National Grant - Dept of Water & Forestry - Investigation on infrastructure networks

APPENDIX G
SWELLENDAM MUNICIPALITY
IMPLEMENTATION PLAN FOR THE YEAR ENDED 30 JUNE 2009

Name of municipality:	Swellendam Municipality	**Demarcation Code:**	
Name of preparer:	Mr. Nigel Delo	**Date completed:**	31-Mar-09
Contact Details:	028 514 4100	**Financial period:**	08-09
Capacity category:	**Low Capacity**	**(delete whichever not applicable)**	

Financial reporting standard	**Milestones to be achieved to comply with the standard** *[include the key challenges that have to be overcome]*	**Amendment to milestone and or achievement of milestone** *[include whether the milestones have been achieved or not, the reasons for amendments to the milestones and the reasons for non-achievement]*	**Person responsible**	**Estimate date of compliance** *[must begin after exemption period and take the transitional provisions of the standards into account]*
Presentation of financial statements (GRAP 1)	• Preparation of GRAP compliant financial statements. • Challenges as listed below.	Comply fully	CFO	*AFS 30 June 2008*
Cash flow statements (GRAP 2)	• Obtain a thorough understanding of the format of the cash flow statement. • No challenges to overcome.	Comply fully	CFO	*AFS 30 June 2008*
Accounting policies, changes in accounting estimates and errors (GRAP 3)	• An accounting policy has been prepared • The municipality has appointed external specialists to assist with the implementation of GRAP and to capacitate the preparers of the financial statements with the disclosure requirements of GRAP 3. • The municipality will have to investigate what the potential impact of Standards approved but not yet effective may be on the annual financial statements.	Comply fully Comply fully The municipality will achieve this milestone	CFO	*AFS 30 June 2008 (excluding par 14,19 and 39-31)* *AFS 30 June 2010*
The Effects of Changes in Foreign Exchange Rates (GRAP 4)	• The municipality is not involved in any foreign currency transactions.	Comply fully	CFO	*AFS 30 June 2008*
Consolidated and Separate Financial Statements (GRAP 6)	• The municipality has established through a review that it does not have any entities in which it has a controlling interest.	Comply fully	CFO	*Completed*
Investments in Associates (GRAP 7)	• The municipality has established through a review that it does not have any entities over which it has significant influence.	Comply fully	CFO	*Completed*
Interests in Joint Ventures (GRAP 8)	• The municipality has established through a review that it is not involved in any public private partnerships which may constitute a joint venture.	Comply fully	CFO	*Completed*
Revenue from Exchange Transactions (GRAP 9)	• The municipality will review all revenue sources in order to establish compliance with this Standard. • External specialists have been appointed to assist with the review. • The potential impact of paragraph 12 and SAICA Circular 09/06 will have to be assessed.	Comply fully Comply fully The municipality will achieve this milestone. The municipality will use indexed global amounts for restatement as the information systems do not provide for the daily calcualtions needed to implement fair value calculations.	CFO	*Completed* *Completed* *30 June 2010.*
Construction Contracts (GRAP 11)	The municipality does not believe it is involved in construction	The municipality does not	CFO	*30 June 2010.*
Inventories (GRAP 12)	• The municipality will review the Standard in order to understand its requirements.	The municipality will achieve this milestone	CFO	*30 June 2010.*

APPENDIX G
SWELLENDAM MUNICIPALITY
IMPLEMENTATION PLAN FOR THE YEAR ENDED 30 JUNE 2008

Financial reporting standard	**Milestones to be achieved to comply with the standard** *[include the key challenges that have to be overcome]*	**Amendment to milestone and or achievement of milestone** *[include whether the milestones have been achieved or not, the reasons for amendments to the milestones and the reasons for non-achievement]*	**Person responsible**	**Estimate date of compliance** *[must begin after exemption period and take the transitional provisions of the standards into account]*
Leases (GRAP 13)	• The municipality complies fully with the Standard. • The municipality must review all its lease agreements in order to establish if any of these payments should be "smoothed" as per the Standard.	Comply fully The municipality will achieve this milestone	CFO	*30-Jun-08* *30 June 2010.*
Events after the Reporting Date (GRAP 14)	• The preparers of the financial statements will have discussions with senior officials and its lawyers in order to determine if any events after reporting date has occurred.	Comply fully	CFO	*Annually*
Investment Property (GRAP 16)	• The municipality is in process to review the Standard in order to ensure fully compliance.	In process to ensure completeness of investment property on the FAR.	CFO	*30-Jun-10*
Property, Plant and Equipment (GRAP 17)	• The municipality has performed a physical verification of its PPE and prepared a fixed asset register. • An accounting policy regarding the PPE should be reviewed and approved. • Infrastructure assets should be identified and valued by engineers. In process of completion. • Review of useful life of item of PPE recognised in the annual financial statements. • Review of the depreciation method applied to PPE recognised in the annual financial statements. • Impairment of non-cash generating assets. • Impairment of cash generating assets.	Continuous process Comply fully The municipality will achieve this milestone. The municipality will achieve this milestone. The municipality will achieve this milestone. The municipality will achieve this milestone. The municipality will achieve this milestone.	CFO	*Completed* *30-Jun-08* *30-Jun-11* *30-Jun-10* *30-Jun-10* *30-Jun-10* *30-Jun-10*

APPENDIX G
SWELLENDAM MUNICIPALITY
IMPLEMENTATION PLAN FOR THE YEAR ENDED 30 JUNE 2008

Financial reporting standard	**Milestones to be achieved to comply with the standard** *[include the key challenges that have to be overcome]*	**Amendment to milestone and or achievement of milestone** *[include whether the milestones have been achieved or not, the reasons for amendments to the milestones and the reasons for non-achievement]*	**Person responsible**	**Estimate date of compliance** *[must begin after exemption period and take the transitional provisions of the standards into account]*
Provisions, Contingent Liabilities and Contingent Assets (GRAP 19)	• The municipality has appointed external specialists to assist with the identification of potential provisions, liabilities and contingent assets.	The municipality will achieve this milestone.	CFO	*30-Jun-10*
Non-current Assets held for Sale and Discontinued Operations (GRAP 100)	• The municipality implemented this standard.	The municipality will achieve this milestone.	CFO	*30-Jun-10*
Agriculture (GRAP 101)	• The municipality has established through a review that it does not have any transactions or perform any activities	Comply fully	CFO	*Completed*
Intangible assets (GRAP 102)	• The municipality has appointed external specialists to assist with the identification of potential intangible assets. • The asset register needs to be adjusted in order capture all intangible assets. • An accounting policy needs to be drafted for the treatment of intangible assets.	Comply fully Comply fully Comply fully	CFO	*30 June 2008 for computer software.* *30 June 2010 for all other intangible assets, if any.*
Financial Instruments: Disclosures (IFRS 7/AC 144)	• The municipality needs training and clarification on the impact and requirements of this Standard.	The municipality will achieve this milestone.	CFO	*30-Jun-10*
Income Taxes (IAS 12/AC 102)	• Not applicable to this municipality.	Comply fully		
Employee benefits - (IAS	• The municipality will request for quotations for the Once the value of the potential liability is calculated, the municipality will determine a phasing-in policy for the provision of the total liability.	The municipality will	CFO	*30-Jun-10*
Accounting for Government Grants and Disclosure of	• The municipality believes this Standard is not applicable as the transitional provisions in GRAP 9 and in future GRAP	• The municipality believes this Standard is	CFO	*30-Jun-10*
Financial Instruments: Presentation (IAS 32/AC 125)	• The municipality needs training and clarification on the impact and requirements of this Standard.	The municipality will achieve this milestone.	CFO	*30-Jun-10*
Impairment of Cash-generating Assets (IAS 36/AC 128)	• The municipality needs training and clarification on the impact and requirements of this Standard.	The municipality will achieve this milestone.	CFO	*30-Jun-10*
Financial Instruments: Recognition and Measurement (IAS 39/AC 133)	• The municipality needs training and clarification on the impact and requirements of this Standard.	The municipality will achieve this milestone. The	CFO	*30-Jun-10*
Impairment of non-cash- (IPSAS 21)	• The municipality needs training and clarification on the impact and requirements of this Standard.	The municipality will	CFO	*30-Jun-10*